

TERMS SHEET

7 February 2012

To: **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**
(ABN 11 005 357 522)
Level 2, 20 Martin Place
Sydney NSW 2000
Australia

THE ROYAL BANK OF SCOTLAND PLC, AUSTRALIA BRANCH
(ABN 30 101 646 528)
Level 28, RBS Tower
88 Phillip Street
Sydney NSW 2000
Australia

AND

THE TORONTO-DOMINION BANK, LONDON BRANCH
(ARBN 082 818 175)
60 Threadneedle Street
London EC2R 8AP
United Kingdom

From: **KfW**
Palmengartenstraße 5-9
D-60325 Frankfurt am Main
Germany

KfW - A\$30,000,000,000 NOTE PROGRAMME

We hereby confirm the following agreement for the issue by us of Notes, each having the terms and conditions set out below, and otherwise in accordance with the terms and conditions of the Deed of Terms and Conditions dated 16 March 2004 made by the Issuer, the Manager and the Registrar. Terms not defined herein have the meanings given to them in the Deed of Terms and Conditions.

Overall Note Details

Issuer:	KfW
Principal Amount (face amount) on the Issue Date of each Note:	A\$1,000 (Note: subject to minimum consideration within Australia of A\$500,000)
Number of Notes to be issued:	400,000
Total Principal Amount of the Series:	A\$400,000,000

Type of Notes: Amortised Notes
 Dual Currency Notes
 Fixed Rate Notes
 Floating Rate Notes
 High Interest (premium) Notes
 Indexed Notes
 Low Interest (discount) Notes
 Structured Notes
 Zero Coupon Notes
 Other (specify)

Maturity Date: 9 February 2022

Issued at: Par
 Discount
 Premium

Purchase Price: A\$398,784,000 (being 99.696 per cent. of the Principal Amount of A\$400,000,000)

Issue Price: A\$399,696,000 (being 99.924 per cent. of the Principal Amount of A\$400,000,000)

Issue Date: 9 February 2012

Clearing System (if any): Austraclear
 Euroclear
 Clearstream Banking
 Other (specify): _____

On admission to the Austraclear System, interests in the Notes may be held through Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). In these circumstances, entitlements in respect of holdings of interests in the Notes in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as a nominee of Euroclear while entitlements in respect of holdings of interests in the Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in Notes held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System.

Interest Calculation and Payment, Repayment

(a) **Amortised Notes**

Redemption Amount: N/A

Redemption Price: N/A

Reference Price: N/A

Other details (specify): N/A

(b) **Dual Currency Notes**

Rate of Exchange: N/A

Determination of:

- ◆ rate of interest: N/A
- ◆ accrual of interest: N/A
- ◆ interest amounts: N/A
- ◆ interest payment dates: N/A
- ◆ other (specify): N/A

(c) **Fixed Rate Notes**

Fixed Interest Rate(s): 5.50 per cent. per annum

Interest Payment Dates: 9 February and 9 August in each year from, and including, 9 August 2012 to, and including, the Maturity Date (subject to adjustment in accordance with clause 8.6 of the Deed of Terms and Conditions)

Redemption Amount: A\$1,000 per Note (100 per cent. of the Principal Amount)

Day Count Fraction:

- Actual/365 (fixed)
- Actual/365 or Actual/Actual (ISDA)
- 30/360, 360/360 or Bond Basis
- RBA Bond Basis
- 30E/360 or Eurobond Basis

(d) **Floating Rate Notes**

Floating Rate Basis: Bank Bill Rate
 Other (specify and detail source and procedures if not available)

Manner of determination:

ISDA Determination:

- ◆ Floating Rate Option: N/A
- ◆ Designated Maturity: N/A
- ◆ Reset Date BBSW
 LIBOR
 EURIBOR
 Other (specify)

♦ Determined by Manager
 Other (specify)

or:

Screen Rate Determination

♦ Reference Rate BBSW
 LIBOR
 EURIBOR
 Other (specify)

♦ Relevant Screen Page: N/A _____

♦ Determined by Manager
 Other (specify)

Margin(s) to Floating Rate Basis: +/- ___ per centum per annum

Minimum Interest Rate: N/A

Maximum Interest Rate: N/A

Interest Payment Dates: N/A

Additional Business Centre: N/A

Redemption Amount: N/A

Day Count Fraction:
 Actual/365 (fixed)
 Actual/365 or Actual/Actual (ISDA)
 30/360, 360/360 or Bond Basis
 RBA Bond Basis
 30E/360 or Eurobond Basis

Interest Determination Date: N/A

(e) **High Interest (premium) Notes**

Premium: N/A

Interest Rate see: (c)
 (d)

Amortisation Yield: N/A

Reference Price: N/A

Other details (specify): N/A

(f) **Indexed Notes**

Index: N/A

Specify method of calculation of Variable Indexed Amount: N/A

Details to include:

- ◆ Source for index: N/A
 - ◆ Person responsible for calculations: N/A
 - ◆ Provision for calculation on early redemption, where reference to Index or formula is impossible or impracticable etc): N/A
- Base Index Figure \$: N/A
- Interest Payment Dates: N/A
- Redemption Amount: N/A

(g) **Low Interest (discount) Notes**

- Discount Rate: N/A
- Interest Rate see: (c)
 (d)
- Amortisation Yield: N/A
- Reference Price: N/A
- Other details (specify): N/A

(h) **Structured Notes**

Describe characteristics: N/A

(Give details including, as required, source, calculation arrangements, alternatives etc)

(i) **Zero Coupon Notes**

Redemption Price: N/A

Amortisation Yield: N/A

(j) **Other Options** (Give details) N/A

Other Issue Details

Partly Paid Notes (details): N/A

Special Issuance Instructions: N/A

Other Special Conditions including, as appropriate:

Events Affecting Maturity: N/A

Put option (early redemption at the option of the Noteholders) (give details): N/A

♦ Clause 9.3 applies: Yes No

♦ Put Option Date(s)
or

Put Option Period: N/A

♦ Put Option applies to all Notes in Series
or

Details of Notes to which Put Option applies: N/A

Maturity Extension Option (option of the Noteholder to extend maturity, at the offer of the Issuer) (give details): N/A

Minimum notice: N/A

Other: Application has been made for the Notes to be listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

In relation to the Notes, the following additional terms and conditions shall apply:


In the fourth paragraph of clause 2.2 of the Deed of Terms and Conditions, the words "Australian System" are deleted and replaced with the words "Austraclear System".

On and with effect from 20 July 2011, the Programme Limit was increased from A\$20,000,000,000 to A\$30,000,000,000.

The above details are confirmed by the Issuer, in respect of:

ISIN: AU0000KFWHU6

Common Code: 074462847


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Klaus-Peter Zitel
Vice President


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Normen Günther
Senior Manager

7 February 2012